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# AUSTRIAN INFORMATION

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### ORDERS OF TEN MILLION DOLLARS FOR NEW ARMY.

As part of the program for equipping the new Austrian Federal Army, the sum of approximately six million dollars has already been spent solely on orders for clothing and another four million dollars for shoes and other equipment. The orders relate mainly to material for uniforms, bed linen, blankets and underwear. Every soldier will receive two complete uniforms, 3 sets of underwear and 3 pairs of shoes (mountain shoes, service shoes and dress shoes). All contracts connected with supplies for the Federal Army are being awarded on the basis of competitive public bidding.

**TREATY SHIPMENTS TO MOSCOW WILL NOT AFFECT AUSTRIA'S DOLLAR RESERVE.** According to a recent announcement by the Austrian Commission for Deliveries of Goods to the Soviet Union, delivery orders representing a total value of 19.5 million dollars have been approved in line with negotiations held to date with the Soviet Trade Delegation in Vienna. Contracts for these orders have been concluded with Austrian companies. Further negotiations, involving a total amount of \$4,240,000, are about to be concluded. Since Austria, under the terms of the State Treaty, is obligated to supply the Soviet Union with goods in the amount of 25 million dollars annually for the next six years, the first annual quota has now been filled except for 1.3 million dollars.

It has been possible to include among the Austrian deliveries to the Soviet Union finished products which require considerable labor in their manufacture, e.g. trucks, electrical measuring instruments, machinery for paper plants, Diesel compressors, lacquers, shoes, artificial silk fabrics. Guarantee notes in the amount represented by deliveries of goods as they are made will be returned by the Soviet National Bank to the Austrian National Bank, which had earlier given the Soviet bank an overall guarantee note in the amount of 150 million dollars. The value of this note is now being reduced, on a running basis, in the amount of the deliveries to the Soviet Union actually scheduled by Austria. The above-mentioned Austrian Commission stated at the same time that it may be assumed that Austria will not make use of her right to offer the Soviet Union dollar sums instead of shipments of goods. This development is a very welcome one, from the point of view of Austria's balance of payments.

**FIGL THANKS PEARSON.** Foreign Minister Leopold Figl has expressed gratitude to Canadian Foreign Minister Lester B. Pearson for the initiative, taken by the Canadian delegation in the United Nations, which was primarily responsible for the admission of Austria along with 15 other new members to the U.N.

**RECORD PETROLEUM PRODUCTION.** According to an announcement of the Austrian mining authorities, a total of 3,367,571 tons of petroleum were produced in Austria during the first 11 months of 1955. Since production during November amounted to approximately 300,000 tons, it is estimated that the total output for 1955 will go beyond the 3.5-million-ton mark, for the first time in Austria's history. During the first 11 months of that year, production of natural gas was 700 million cubic meters, 400 million of which was dry gas.

**CURRENCY STABILIZATION MEASURES.** The extent of the international boom has prompted a number of countries to take certain measures to control the upward spiral of prices and wages and thereby to stabilize their currencies. The traditional method of increasing the bank rate has been repeatedly applied by various countries. Austria raised the bank rate for the first time on May 20th last year (from 3-1/2 to 4-1/2%) and again raised it on November 17th (to 5%). At the same time The Austrian National Bank ordered the credit institutions to maintain a federal reserve of 5% with the Central Bank in accordance with the provisions of the new National Bank law.

The Austrian Ministry of Finance has initiated a parallel operation and has signed a new agreement with the bankers' association concerning the current expansion of credit. This agreement will ultimately put a stop to credit expansion and in the meantime, will reduce the volume of credit loans. Banks are to cancel immediately all loans above an agreed figure. In cases where loans must be renewed, banks will request that they be decreased by 10% within three months. New loans will be granted only after close inquiry into the amounts required and the purposes for which they are requested. Instalment buying is to be put on a shorter-term basis with higher downpayments, a measure intended to decrease this type of credit buying.

The attempt to stop the upward spiral of wages and prices has been the subject of a great number of discussions within the Government and of negotiations between employer and employee organizations. In compensation for the measures, the Austrian Federal Trade Union has requested that their members receive a sum payment equivalent to one week's wages or 25% of the monthly income.

The official measures and agreements between the economic groups concerned have already resulted in lower prices for certain basic products, among them sugar, fowl, fish, fruits, margarine and gasoline.

**1-1/2 MILLION POUNDS OF U.S. FOOD FOR AUSTRIAN CHILDREN.** Under the leadership of John Gorski, the American Friends of Austrian Children, Inc. again contributed a considerable shipment of American foodstuffs for needy Austrian children this Christmas. In addition to a total of 480,000 pounds of butter, butter oil, milk and cheese, 6,000 food packages, each weighing 24 pounds, were also sent. The current market value of the entire shipment of these Christmas food gifts is about \$300,000. During 1955, a total of 1,500,000 pounds of surplus U.S. foodstuffs — representing a value of approximately \$550,000 — were shipped to Austria through the American Friends of Austrian Children. Since the list of available foods is being extended by the Department of Agriculture as of January, 1956, to include rice, beans, wheat and corn, the American Friends of Austrian Children are planning on a substantial increase in the scope of their shipments this year.

**INTERNATIONAL TRADE UNION MEETING IN INNSBRUCK.** From June 18-30, 1956, the Educational Center of the Tyrol Chamber of Labor in Innsbruck will be the scene of an international summer school of the International Federation of Free Trade Unions' European Regional Organization (ERO). The international summer meeting will be concerned with the social aspects of European integration.

**1955 CROP YIELDS NEARLY 1 MILLION TONS OF BREAD CEREALS.** On the basis of the final figures now available, the bread cereals crop in Austria for 1955 was 976,854 tons, as against only 832,505 tons in the previous year. Since the total area under cultivation was increased by only 5,000 acres to make a total of 1.15 million acres, the new crop represents an increase in yield-per-acre from 4,000 lbs. to 4,600 lbs. The potato crop was also larger than that of the previous year, having amounted to 2.8 million tons (15,500 lbs. per acre). The same was the case with the sugar beet crop of 1.4 million tons (27,500 lbs. per acre). For oats and barley there was an increase in acreage under cultivation as well as for total yield and yield per acre. This means that in agricultural production, Austria is currently approximately 83% self-sufficient.

**RECORD ALUMINUM PRODUCTION.** With its total production of approximately 50,000 tons during 1955, the Ranshofen Aluminum Works established a new record. Its output in 1954 was 41,000 tons. This level of production not only means that Austria's domestic requirements for primary pig aluminum are completely taken care of but also that 35% of her aluminum output is available for export. The Ranshofen Works, which employ about 2,000 workers, have over 160 electrolytic furnaces in operation. The plant operates primarily with electric power from river-fed hydroelectric plants, so that production always has to be curtailed during the winter months due to power shortages. This means that, despite its new production record, the Ranshofen Aluminum Works are still not operating at full capacity.

#### **ECONOMIC EXCHANGE WITH THE SOVIET UNION.**

The Austrian Institute for Economic Research recently made a study of Austria's trade relations with the Soviet Union. During the last ten years, legal Austrian-Soviet foreign trade was on the same small scale as before World War Two (from 1924-1937: 0.4% to 2%; 1954: 0.2%). On the other hand, the Soviet-controlled economic agencies in Austria (USIA and SMV) carried on very intensive illegal trade with the Soviet Union and other Eastern countries, the figures for which do not appear in trade statistics. In 1954, uncontrolled exports to the Soviet Union represented a value of approximately \$104,000,000 or 17% of all Austrian exports covered by trade statistics. Officially, only \$1,500,000 worth of merchandise was exported to Russia.

An outstanding factor in the shipments to the Soviet Union were 1.9 million tons of petroleum and petroleum derivatives, representing a value of approximately 1 billion schillings. According to railroad statistics, 26,800 tons of machinery and vehicles were so exported. This figure represents approximately one-third of all legal exports of Austrian machinery. Metal goods, prefabricated houses, dyes, lacquers and paper were also exported in considerable amounts. The export of semi-finished products was limited mainly to copper, glass and artificial silk yarn. On the other hand, there was practically no export of raw materials.

Uncontrolled imports from the Soviet Union were on a much smaller scale, representing a value of \$23,000,000. Nevertheless (on the basis of railroad statistics), 117,556 tons were imported, as against the mere 15,000 tons (representing a value of \$1,500,000) which are reported in the trade statistics. Two-thirds of the uncontrolled imports are accounted for by iron and steel (69,708 tons). By means of these imports, not only were all of the pipe requirements for oil production taken care of but also most of the iron supplies for the USIA plants were covered.

As of the end of 1954, the trade balance in this uncontrolled trade with the Soviet Union showed an export surplus in the amount of \$80,000,000. For the larger part of this surplus, i.e. approximately \$61,500,000, Austria received no payment whatever, either in goods or money.

The unrestricted trade of the USIA organization with the other countries of the Eastern Bloc is less amenable to reliable analysis. Excluding petroleum products, exports amount to approximately 120,000 tons, of which 62,000 tons was wood. Of this amount, 80% went to Hungary and Czechoslovakia. The total uncontrolled export to the satellite states in 1954 probably reached a value of about 650 million schillings. Approximately the same amount was imported.

In the future, imports from the Soviet Union, amounting to \$25,000,000, will be only slightly higher than previously (\$23,000,000). The structure of imports, however, will be permanently shifted.

The reduction in the surplus of exports is due to the fact that the hitherto uncontrolled exports have been partially legalized. The Soviets will reduce the purchase of Austrian finished products from more than \$50,000,000 to approximately \$30,000,000. When Austria's treaty obligations toward the Soviet Union have been completely covered by means of

shipments of goods and the contingents set down in the State Treaty have been utilized, Austria's annual exports to the Soviet Union will henceforth represent a value of \$73,000,000 and her imports of Soviet merchandise \$25,000,000. Moreover, as a result of the assumption by Austria of barter transactions negotiated by the USIA plants, legal trade with the other countries of Eastern Europe will probably be increased by \$11,500,000 annually.

**100,000 WAR-DAMAGED APARTMENTS REBUILT.** As of the end of 1955, the Fund for the Reconstruction of Housing, set up within the Ministry for Trade and Reconstruction in the summer of 1948, had approved loans of 4.7 billion schillings for the reconstruction of living quarters destroyed during the war. Approximately 100,000 apartments have been restored to date through these loans.

**300,000 TONS OF OIL DELIVERED TO SOVIET UNION.** One of the obligations assumed by Austria under the State Treaty is to supply Soviet Union, free of charge, with 1 million tons of petroleum annually for the next 10 years, this oil to come from Austrian oil fields. The partial shipment of 300,000 tons, the agreed quota for 1955, had already been wholly delivered to the Soviet Union prior to December 23, 1955.

**SLIGHT DROP IN LIVING COSTS.** The cost of living in Austria at the end of 1955 was 0.9% lower than the average for 1952. The development of price levels, however, is by no means uniform and varies greatly. Thus, the prices for clothing show pronounced decreases, whereas transportation costs show a marked increase. Taking the yearly averages for 1952 as equal to 100, we obtain the following comparative figures: clothing 84.6%, heating and light 95.4%, cosmetics 98.2%, foods and delicacies 99.2%, rent 100%, household articles 106.5%, maintenance and education 136.7% and transportation 142.2%.

**TREMENDOUS INCREASE IN TOURISTS TO AUSTRIA.** The number of overnight accommodations rented to tourists during Austria's latest tourist season (Nov. 1, 1954, to Oct. 31, 1955) reached the figure of 25 million, half of these being accounted for by foreigners and the remainder by Austrians. This summer, for the first time in the history of Austrian tourism, the number of overnight accommodations for foreigners (9.1 million) exceeded that for Austrian tourists (8.5 million). The overall figures were over 30% better than those for any prewar season. Compared with the previous season, the number of foreign tourists increased by more than 30%, whereas the domestic tourist trade is showing signs of stagnation and, in the Western provinces, is falling off.

**NEW CABLE RAILWAYS AND LIFTS FOR TOURISTS.** During 1955, a total of 74 new cable railways and chair-lifts, tow-lifts or ski-lifts were placed in operation in Austria. A majority of these, i.e. 27, are located in the province of Tyrol. With these new installations, Austria now has approximately 350 cable railways and lifts of various types for the tourist trade.

#### **HIGHEST AUSTRIAN CABLE RAILWAY OPENED.**

Austria's highest cable railway was recently opened in the Arlberg area. It connects Valluga ridge with Valluga peak, the mountain station which is located 9,200 ft. above sea level. This elevation, which affords a unique view across the Alpine peaks, connects the Galzig cable railway with the two stretches of the new Valluga cable railway, making it possible to cover a difference in altitude of 5,250 ft. within a few minutes.

The opening ceremony was attended by Mr. Starr, a U.S. citizen, who was welcomed as "the great American friend of the Arlberg."



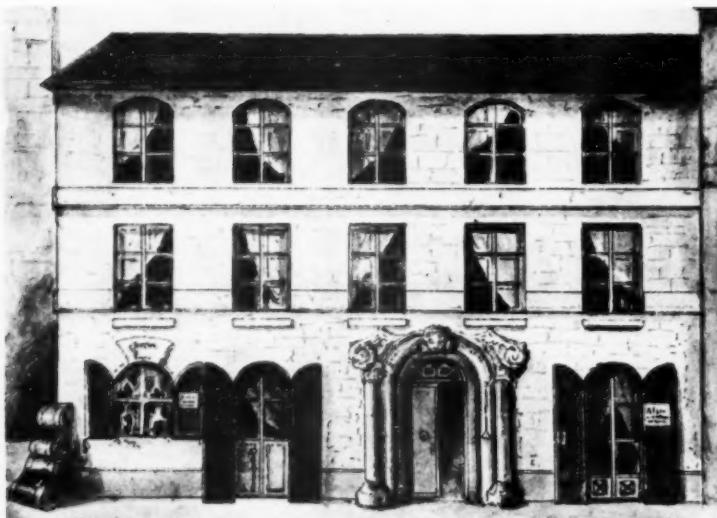
*Cable Railway at St. Christoph, Arlberg.*

**NEW AUSTRIAN EXPEDITION TO ANDES.** Hias Rebitsch, the well-known Tyrolean mountain climber, has left for Buenos Aires to take part in an Austrian-Swedish expedition to the Andes. The program provides for scaling several peaks in the cordillera along the Argentine-Chilean border, especially in the Punta de Atacama area. The following Austrians will be members of the expedition: Dr. Karl Morghen (Innsbruck), Dr. Rolf Dangl (Graz), Dr. Walter Sander (Innsbruck) and Joerg Heinsheimer (Innsbruck). During his first expedition to the Andes in 1952, Rebitsch climbed three 20,000-ft. peaks.

**AUSTRIAN PHYSICIANS HONORED.** The World Academy for the Arts and Sciences in Rome has elected six prominent Vienna physicians as vice-presidents in recognition of their medical and scientific achievements in various fields. The doctors so honored were: Professor Carmen Coronini, M.D.; Professor Fellinger, M.D.; Professor Klima, M.D.; Chief Physicians Rottman (Univ. Lecturer), Kretz and Berghoff.

## CULTURE AND SCIENCE

**LONDON COMMEMORATES MOZART.** One of the most extensive collections of Mozart relics and documents ever assembled will be opened at the British Museum in London on January 27, 1956, the 200th anniversary of the composer's birth. The exhibition, which will feature some 250 different objects, will include copies of sonatas which the composer dedicated to the British Royal House during his stay in England. Also on display will be Mozart's marriage contract with Constanze Weber, dating from the year 1782, as well as rare prints of music and scenes from Mozart's time in Vienna. The exhibition will run until March 30.



*The House in which Mozart died.*

**TEN "MOZART HOUSES" IN VIENNA.** No other city is as rich as Vienna in Mozart memorials. Ten different buildings in the city have commemorative tablets indicating that the great composer lived and worked in them during some period of his life. However, it is only the "Deutsche Haus" and the "Figaro-Haus" which have been preserved without change since Mozart's time.

The "Deutsche Haus," located in the First District, is solid, centuries-old building. In its Serenade Court there is a commemorative plaque to Mozart in the glass hall. On March 16, 1781, Mozart arrived in Vienna for the third time, en route from Munich where he had received great honors. He was a member of the retinue of Archbishop Colloredo of Salzburg and was therefore given quarters in the "Deutsche Haus," the present address of which is Singerstrasse 7. The building was so named because it belonged to the "Deutscher Ritterorden" (Teutonic Order).

In December 1784, Mozart moved to the house at Schulerstrasse 8, with its entrance at Domgasse 5. A tablet affixed on this building recalls that the composer lived there from 1784 to 1787, during which time he composed "The Marriage of Figaro." In a roomy apartment occupying the entire second floor — and which, like the whole building, has remained unchanged in layout — Mozart was visited by Haydn on February 12, 1785. After hearing some of Mozart's quartets,

Haydn declared to Mozart's father: "As an honest man, I tell you that I consider your son to be a very great composer." In this house, Mozart gave Saturday morning performances of music not only for friends but also for outsiders.



*The room in which Mozart died.*

During Mozart's musical tours abroad, his wife Konstanze moved to Rauhensteingasse in 1790. The composer arrived at this, his last home, on November 10, 1790. This house was torn down in 1884, to make place for the new "Mozart-Hof," the present address of which is Rauhensteingasse 8. In the well of the staircase of this house there is an oversize bronze bust of Mozart and on the sandstone base of the bust, as though making amends, there is an inscription reading: "To the Incomparable Master of the Art of Music, Who Lived Here until his Death."

**NEW MOZART FILM ACCLAIMED.** The new Cosmopol "Mozart Film," which had its Vienna premiere during the Christmas season, met with warm public response. The picture is concerned mainly with that part of Mozart's life during which he composed "The Magic Flute" and tells of his love for Anni Gottlieb, the first singer to portray the role of Pamina.

**NEW NAMES AT 1956 SALZBURG MOZART FESTIVAL.** Because of the illness of Edwin Fischer who was scheduled to appear as conductor and soloist, the first concert of the Vienna Philharmonic during the forthcoming Mozart Festival in Salzburg will be presented under the baton of Music Director Carl Schuricht. The soloist in this concert, which will be given on January 26, 1956, will be Tatjana Nikolajewa, who will play the Mozart E-major concerto, K. 482. On the afternoon of the same day, Igor Oistrakh, the son of David Oistrakh, will perform Mozart's Violin Concerto in A Major, K. 219. Rosl Schmid will be the soloist in the Salzburg performance of the A Major Piano Concerto, K. 488, by the Bamberg Symphony Orchestra on January 30, 1956.

**WERFEL NOVEL DRAMATIZED.** The novel "Der Abituriententag," written in 1945 by the late Austrian author Franz Werfel in Beverley Hills, California has now been dramatized by Ladislaus Bus-Fekete. The arrangement of the work for German-language presentation has been undertaken by Ernst Lothar.

**"KISS ME, KATE" AT VOLKSOPER IN FEBRUARY.** During the first half of February, the Vienna Volksoper will present an American musical in the German language for the first time. The work selected for the occasion is "Kiss Me, Kate." The stage director for the production will be Heinz Rosen and the conductor Julius Rudel, a native Viennese, who has conducted the entire repertory of operettas and musicals at New York's City Center in his capacity as Chief Conductor. The choreography is in the hands of Dia Luca, and sets are being designed by Walter von Hoesslin with costumes by Gerdago. Direction of production and script adaptation of the work to the German language form the first assignments of Dr. Marcel Prawy of the Volksoper.

The lead will be sung alternately by Brenda Lewis and Elfie Mayerhofer. Fred Liewehr and Kurt Heintel will alternate in the role of Petruchio. Olive Moorefield will appear as the cabaret singer Lois Lane. Other roles will be taken by Hubert Dilworth, Kurt Preger, Helmut Qualtinger, Alfred Jerger and Karl Doench. The music will be performed by a 35-member group of the Volksoper orchestra, to which a 7-man jazz group featuring Hein Neubrand (piano) and Theo Ferstl (trumpet) will be added.

**FIRST PRESENTATION OF A VIENNA OPERETTA ON AUSTRIAN TV.** On December 26, the Austrian television network presented its first telecast of an operetta performance from a Vienna theater. The work selected for the occasion was the Raimund Theater's extremely successful new attraction, "Liebesbriefe," composed by the noted Austrian operetta composer Nico Dostal to a libretto by Hubert Marischka and Rudolf Oesterreicher.

**"THE MERRY WIDOW" IS FIFTY YEARS OLD.** In honor of the 50th anniversary of the world premiere of Franz Lehar's "The Merry Widow," a gala performance of this operetta was presented at the Vienna Volksoper on December 30, 1955. Mizzi Guenther the Hanna Glawari of the original cast, was in the audience at the Volksoper.

**AUSTRIAN OPERETTA SUCCESSFUL IN ENGLAND AND GERMANY.** The operetta "Pariser Hochzeit" (Marriage in Paris) by the Austrian composer Hans May, which has been included in the permanent repertory of a London theater since its world premiere in March 1954, recently scored a great success with its first German performance at the Kiel Municipal Theater.

**SCHENK HONORED FOR BOOK ON MOZART.** Professor Erich Schenk, author of the new "Mozart Book," has been awarded the First Prize of the well-known musicological association "Historiae Musicae Cultores" for his study on "Mozart in Italy." Dr. Schenk was so honored for making the most significant contribution to Mozart research in Italy.

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**FILM ON BRUCKNER NEAR COMPLETION.** A documentary film on Anton Bruckner and his music is now being completed at St. Florian in Upper Austria, where Bruckner lived and worked for many years. The film is a joint German-Austrian production.

**NATIONAL PRIZES AWARDED.** Awarding of the National Prizes for the Advancement of Literature, Music and the Fine Arts took place in Vienna at the end of December, 1955. The 1955 Prize for the Advancement of Literature went to the following playwrights: Franz Karl Franch ("Zwischen den Geleisen"), Kurt Klinger ("Odysseus muss wieder reisen"), Guenther Buxbaum ("Das Lied der Stummen") and Anny Tichy ("Die Dame kommt aus Orleans"). The prize for music was awarded to Fritz Skorzeny for a trio for violin, viola and double bass, while the fine arts prize was received by the Salzburg designer and painter Slavi Soucek. The National Prize for Theater Directors was awarded at the same time to Oskar Walleck (Linz) for his work on the world premiere of Kurt Klinger's "Odysseus muss wieder reisen."

**229 U.S. FILMS SHOWN IN AUSTRIA LAST YEAR.** Of the 468 new films shown in Austrian movie theaters in 1955, 229 were made by U.S. producers. The films of other countries were represented as follows: German Federal Republic (105), France (41), Italy (31), Great Britain (18), Switzerland (2), Sweden (2), the Soviet Union (2), Brazil (1), Denmark (1), Japan (1), Mexico (1), China (1), Eastern Germany (1), Czechoslovakia (1), Hungary (1) and Spain (1). A total of 29 Austrian pictures were shown during the same year, 7 of which were joint Austrian-German productions. Of the films shown 220 were in color and the remainder in black and white. Also shown were 40 Cinemascope and 4 Vista-Vision films.

**COLOR FILM ON KOKOSCHKA IN PREPARATION.** In honor of the forthcoming 70 birthday of the famous Austrian painter Oskar Kokoschka, the "Austria-Spiegel" Company (Vienna) is preparing a color documentary on the artist and his work. The film is being directed by Peter Steigerwald.

Kokoschka was recently elected to the order "Pour le Merite" for Science and the Arts.

**SPECIAL STAMP TO COMMEMORATE MOZART.** The special Mozart commemoration stamp shows a portrait of W.A. Mozart, copied from an unfinished painting by Mozart's brother-in-law, Josef Lange. "W.A. Mozart" is printed across the top of the stamp, and "Republik Oesterreich" in two lines across the bottom. January 18th, 1956 has been set as the date of issue, and validity begins with January 21st, 1956. The stamp has a total size of 29.8 x 38.5 mm, is Parisian blue, designed by Alfred Chmielowsky, engraved by Rudolf Toth, edition: 2,000,000.



## THE ORIGIN AND USE OF THE NATIONAL PRODUCT IN AUSTRIA

For the years 1945 to 1947, only rough estimates can be made concerning the growth and development of the national product in Austria on the basis of very incomplete data concerning employment, power consumption, production and productivity. Keeping in mind this reservation, it might be said that the Austrian gross national product had dropped in 1945 to about 36 percent of the 1937 level, rising in 1946 to about 42 percent, and in 1947 to about 62 percent of prewar. Well-founded estimates and calculations are only available from 1948 on.

In the period of reconstruction from 1948 to 1951 the social product increased (thanks to the Marshall plan) from 91 percent, to 134 percent of 1937. While the relatively large rates of growth in the immediate post-war years (17 percent, 47 percent and 46 percent) should not be overestimated in view of the absolutely low point from which the economy

*The above article is taken from the book "Ten Years of Austrian Economic Development, 1945-1955," by Dr. Franz Nemschak, Director of the Austrian Institute of Economic Research, which is available free of charge upon request to the Austrian Information Service.*

started, those of 1949 (20 percent), 1950 (11 percent) and 1951 (9 percent) were most impressive. The stabilisation of the currency in 1952 had to be paid for with a temporary stagnation of the national product. Due to the new upward trend beginning in the second half of 1953 the national product increased by 3 percent in that year. In the boom year 1954 it increased by no less than 10 percent at stable prices and wages, that is even more than in the last inflationary year (9 percent). According to the development of the first five months of 1955, the rate of growth for this year will be at least equivalent to that of 1954.

In an international comparison of the annual rates of growth of the national product in the last years, Austria is only barely surpassed by the German Federal Republic. In the years 1948 to 1954 the average annual rate of growth in Austria was 9 percent, in Western Germany 11 percent, but in Great Britain only 2.4 percent, in Switzerland 2.7 percent and in the United States 4.4 percent. (Averages 1948 to 1952/53). However, it must be considered that in Austria and Germany there were heavy war damages to be overcome and that the "normal" rate of growth for Austria and Germany is certainly considerably lower. (In spite of the high rates of growth the national product in Austria

### The Development of the Gross National Product in Austria

Years	At Current Prices Billions of Schillings	At 1954 Prices	Rate of Annual Growth In Percent	Index of Real Development
				1937
1937	8.5	58.0	—	100
1945 <sup>1</sup>	.	21.0	—	36
1946 <sup>1</sup>	.	24.5	+17	42
1947 <sup>1</sup>	.	36.0	+47	62
1948	29.0	52.8	+46	91
1949	40.3	63.5	+20	109
1950	49.6	70.6	+11	122
1951	66.4	77.4	+9	133.6
1952	76.8	77.9	+0.5	134.2
1953	77.5	80.0	+2.7	138
1954	87.8	87.8	+10	152

<sup>1</sup>Rough estimates

exceeded that of 1937 by only 50 percent, while the comparable figure for the United States is 120 percent).

But if we also take into account the movement of population, the results become even more favourable for Austria as her population increased very little, while considerable population increases were registered in the other countries.

### The Distribution of the National Product Among the Main Branches of the Austrian Economy

In 1954, 50.2 percent of the national product originated in industry and "small industry" (including construction), 15.0 percent in agriculture and forestry, 9.2 percent in trade, and the rest (25.6 percent) in the remaining fields of economic activity. In detail, significant shifts took place in the post-war years, and there are also remarkable changes as compared to 1937.

While the share of *industry* in the (increasing) national product rose considerably, namely from 28.7 percent in 1937 to 29.2 percent in 1948, and to 36.5 percent in 1954, "small industry" (excluding construction) lost ground. But it must be taken into account that the real national product in 1954 was 50 percent larger than in 1937, and 66 percent larger than in 1948.

In 1937, the share of "small industry" (excluding construction) in the national product amounted to 9 percent. In the immediate post-war years this figure rose to 12 percent (1946) thanks to extensive repair work and owing to the fact that enterprises in this category had suffered less from war damages and dismantling than the larger industrial plants.

**INTERNATIONAL FILM ARTS WEEK DURING VIENNA FESTIVAL.** The Second International Film Arts Week, the program of which is to be dedicated to the theme of "Films and Music," will be held in Vienna from June 2-10, 1956, during the 1956 Vienna Festival. The work group for educational films will be concerned with "Youth and Films" and the group for the film industry with "Problems of Film Statistics." One feature of the event will be an "International Musical Film Show."

**SUCCESSFUL WORLD PREMIERE OF PRIESTLEY PLAY IN VIENNA.** The British author J.B. Priestley recently spent several days in Vienna in connection with the extremely successful world premiere of his latest play, presented under the German title "Schafft den Narren fort". While in Vienna, Priestley said that he considers this to be his most important work to date and that he had made it available to the Vienna Burgtheater for its first production in recognition of Austria's cultural achievements.

Since 1948, however, "small industry" was not able to keep up with the high pace of the boom set by the industrial enterprises. Its share, therefore, declined constantly, dropping to 7 percent in 1954. The building trades, on the other hand, have been booming since the end of the war; their share of the national product attained an average of 6.7 percent from 1948 to 1954 (with a high point of 7.2 percent in the inflationary year 1951 and probably another high in the current year). In the year 1937 the building trades participated in the national product only to the extent of 3.5 percent.

The share of *agriculture*, being tied to land and climate, naturally depends largely on the size of the crops. From 1948 to 1954 it amounted on the average to 15.6 percent; in the years 1950 and 1953, when the crops were favourable it was as high as 16.3 percent and 16.1 percent respectively, and in the bad year 1951 as low as 14.8 percent. In 1937 agriculture had contributed 22 percent to the national product. Because agricultural production increased only 5 percent from 1937 to 1954, as compared with an increase of 50 percent for the total national product, the share of agriculture in the national product was necessarily reduced.

The share of trade in the national product from 1948 to 1954 at 8.5 percent remained approximately the same as it had been in 1937 (8.9 percent).

#### The Rate of Investment

The share of gross investment in the available volume of goods and services amounted only to 6 percent to 7 percent in 1937, but in the last ten years to 15 percent to 20 percent (in 1954 almost 22 percent).

The index of gross investment, which takes into account domestic production as well as imports and exports of capital goods in the form of machinery and construction, rose by almost 400 percent from 1937 to 1954.

#### Index of Gross Investment

Year	Gross Investment		
	Machinery	Construction	Total
Average 1937 = 100			
1948	108.6	257.7	169.8
1949	177.0	313.5	234.9
1950	232.6	374.5	290.7
1951	275.6	436.3	341.3
1952	293.3	387.6	331.4
1953	251.4	364.4	297.4
1954	338.1	458.8	387.2
1954, 1st half	278.9	424.9	328.9
1955, 1st half	452.8	547.0	486.3

<sup>1</sup>Machines, vehicles, and capital goods of the electrical industry.

The year 1955 is also characterized by a very marked investment boom, as may be illustrated by the following data. In the first half of 1955 total gross investment was 52 percent larger than in the first half of the inflationary year 1951, and 47 percent larger than in the corresponding period of the boom year 1954.

From 1948 to 1954 total investment amounted to about 100 billion schillings (in purchasing power of 1954). Of this, machinery accounted for 48 billion schillings, and construction for 52 billion schillings. (For the years 1945 to 1947 no corresponding data are available. Investments, then, were carried out partly at low official prices, partly at very high black market prices.)

In 1937 almost 60 percent of investments were put into machinery, and only 40 percent into construction. In the immediate post-war years the relation was reversed. In 1949 almost 62 percent of investments went into new construction. At first, the destroyed productive and communication plants had to be rebuilt. The purchase of machinery often had to be postponed, as domestic production of machinery was not yet able to fill requirements, and there were not enough imported machines available. The picture changed with the beginning of Marshall plan aid and the increasing efficiency of domestic industry. In the last years investments in machinery and in construction have been about equal.

#### The Level of Consumption

In 1937 77 percent of total availabilities went into private consumption, in 1954 only 69 percent. In spite of this, the level of consumption was 25 percent higher in 1954 than in 1937, the national product being 50 percent larger than before the war.

Government purchases (including expenditure for the federal army) amounted to 17 percent of the national product in 1937, but were only 13 percent in 1954. In the future, the share of public expenditure in total consumption is bound to rise due to the organization and maintenance of armed forces which will be raised to secure the neutrality clauses of the State Treaty. Only if it will be possible to increase production and productivity correspondingly can we expect to avoid unfavourable effect on private consumption and investment.

In the years 1945 to 1948 consumption was almost exclusively concentrated on food. Next to international aid programmes and food packages from abroad, people supplied themselves with foodstuffs from the country side by the means of barter deals (at the expense of the capital substance of the urban population) and from the black market. Although nutrition was insufficient quantitatively as well as qualitatively, expenditure for food was extraordinarily high. There was little spending on shoes, clothing or other industrial consumer goods in the immediate post-war years, these goods being hardly available. On the other side, expenditure for entertainment (movies, theatres, shows etc.) and transportation ("food gathering" trips) was relatively high.

From 1949 to 1951 *industrial consumer goods* moved into the foreground. Thanks to improved crops and higher imports (Marshall plan aid) it was possible in 1949 to end rationing for a number of foodstuffs (cereals, eggs, potatoes, vegetables, fruit) and to make it less strict for others (meat). The black market gradually closed down and the ratio of food expenditure in the household budgets went down even

though nutrition improved. (In 1949 total food consumption was already 84 percent of pre-war, per capita consumption 82 percent.) Since at the same time the supply of industrial consumer goods began to increase and rationing of shoes and textiles was ended, consumers began to catch up with the backlog of clothing needs. In 1949 the volume of sales of textiles rose by 59 percent, of shoes 52 percent, and of furniture and household goods also 52 percent. As food sales rose only by 10 percent, their share in the total retail turnover — calculated at constant prices — dropped from 48 percent in 1948 to 43 percent in 1949, while the share of textiles and shoes rose from 20 percent to 25 percent, and that of furniture and household goods from 8 percent to 10 percent. With slight temporary setbacks (1950) this trend of a lively demand for shoes, clothing and household goods continued to the end of 1951.

After the stabilisation of the currency in 1952, consumers' demand began to turn towards the purchase of more quality goods. Food was now abundantly available (by the middle of 1953 the last remnants of rationing were abolished) and the backlog of demand for clothing and household goods was also satisfied on the whole. For the moment, however, the shock of the stabilisation checked private consumption. The consumers, having spent in the inflationary years not only their current income but also part of their savings, began to save again and cut down above all on purchases for hoarding purposes. Thus for example, the volume of textile sales dropped by 14 percent in 1952. But

one year later the volume of (real) private consumption rose again by 5 percent in the face of falling prices, and after another year (1954) even by 10 percent thanks to a high employment level, tax cuts, and wage and salary increases. The quantitative turnover in the retail trade increased by 8 percent in 1953, and by 9 percent in 1954.

In 1953/54 consumer spending was particularly increased in the fields of travel, automobiles and motorcycles, durable consumer goods and other articles connected with a high standard of living, such as cameras, jewelry etc. In 1949 and 1950 an average of only 8,500 motorcycles and motor scooters had been newly registered. In 1953 new registrations reached the figure of 43,000, and in 1954 51,000. The rapid construction of new housing increased the demand for furniture, rugs, curtains etc. The electrification of households made rapid progress. In 1954, 102,000 new electrical appliances (cooking ranges, hot water boilers, heating equipment, fodder cookers, washing machines and refrigerators) were sold, as against 49,000 in 1953, and 43,000 in 1952.

From 1948 to 1954 (there are no data available for the immediate post-war years) the volume of sales in retail trade rose by 51 percent, and real private consumption by 47 percent. The level of consumption in 1954 was 25 percent higher than in 1937, or 22 percent per capita. This improvement is mainly due to higher employment figures (45 percent). In other words, it is not so much the real income of the employed as the family income which has gone up.

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